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TAGS: <u>ECON APECO ETRD PTER PARM TSPL PE</u>
SUBJECT: PERU'S VIEWS ON APEC 2006 AND HOSTING APEC 2008

REF: A. STATE 139460 ¶B. LIMA 3489

11. (SBU) Summary: The GOP sees eye-to-eye with the USG on priorities for the November APEC Leaders' and Ministers' meetings. Having passed the U.S.-Peru Free Trade Agreement (PTPA) in its Congress in June, Peru has already signed on to many of the USG's trade priorities. It is likely that President Alan Garcia will not attend the November meeting because of Peru's regional and local elections on November 19, and because Garcia is trying to contrast himself to his "extravagant" predecessor, Alejandro Toledo, by traveling and spending less. The GOP has already begun planning for hosting the APEC meetings in 2008, and has requested USG assistance in training and equipping security personnel. Summary.

2006 PRIORITIES

 $\P 2.$ (U) On October 26, Econoff delivered Ref A demarche sharing USG priorities for the November 15-19 APEC Leaders' and Ministers' meetings to the GOP's lead on APEC issues, Ambassador Juan Capunay of the MFA's Asia/Pacific Subsecretariat. Capunay said the GOP supported all of the USG's priorities, singling out Doha, anti-corruption (Peru co-sponsored the anti-corruption / transparent government initiative approved at the SOM III and plans to host a regional conference in October 2007), and public-private partnerships. He said Peru had no problems with the USG's Proposed Draft Language for the Leaders' Statement on WMD Trafficking and Financing. See Ref B for further details on Peru's 2006 priorities.

PRESIDENT GARCIA MAY NOT ATTEND

13. (SBU) Ambassador Capunay said that officially President Garcia would still be representing Peru at the Leaders'
Meeting. However, it is likely that Garcia will not make the trip. The media reports that Garcia does not want to be in Asia during Peru's hotly-contested local and regional elections on November 19, where his APRA party is struggling to win key races. Garcia, who took office in July, has striven to build an austere image, traveling and spending less than his unpopular predecessor, Alejandro Toledo. Trade and Tourism Minister Mercedes Araoz and Foreign Minister Jose Antonio Garcia Belaunde are planning on traveling to Vietnam.

AMB. CAPUNAY MOVING ON

 $\underline{\mbox{1}}4.$ (SBU) Capunay told Econoff that he would be named as Ambassador to an Asian country in January. He introduced Econoff to his most likely successor, Raul SALAZAR Cosio, who was most recently Minister Counselor at Peru's Embassy in Spain. Capunay's current deputy, Julio CARDENAS Velarde, will stay on and will also play a key leadership role leading

PRIORITIES/THEMES FOR 2008

¶5. (U) The GOP has already put much thought into its role as host of the APEC meetings in 2008. Capunay said that an overarching theme would be "A New Commitment for Asia-Pacific Development," stressing public-private partnerships and Corporate Social Responsibility. See Ref B for further details on Peru's 2008 priorities.

SECURITY HELP FOR 2008

16. (SBU) Post received a diplomatic note from the MFA dated October 16 requesting USG assistance in training and equipping security personnel as part of preparations for Peru hosting the APEC meetings in 2008. Specifically, the request includes training in: security and protection for dignitaries (for 42 officials and 210 sergeant majors); building (e.g. hotels, airports, events) security (for 30 officials and 500 sergeant majors); operational planning and security management (for 5 superior officials); canine explosives detection; detecting ultrasonic waves, sound and radial emissions around reserved areas (for equipment operators); and basic and intermediate level English language (for security escorts and bodyguards). POWERS